

PHILADELPHIA INDEMNITY INSURANCE COMPANY

SUPERSEDEAS

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

Bond No. PB10732800031

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**SECURITIES INVESTOR PROTECTION
CORPORATION,**

Plaintiff-Applicant

**Adv. Pro. No. 08-01789 (SMB)
SIPA LIQUIDATION**

-v-

(Substantively Consolidated)

**BERNARD L. MADOFF INVESTMENT
SECURITIES LLC,**
Defendant.

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In re:

BERNARD L. MADOFF,
Debtor.

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**IRVING H. PICARD, Trustee for the Substantively
Consolidated SIPA Liquidation of Bernard L.
Madoff Investment Securities LLC and for the
Estate of Bernard L. Madoff,**

Adv. Pro No. 10-04438 (CGM)

Plaintiff.

v.

ESTATE OF SEYMOUR EPSTEIN,

**MURIEL EPSTEIN, as beneficiary of the Estate of
Seymour Epstein and/or trusts created by the
Last Will and Testament of Seymour Epstein, as
executor of the Estate and/or trustee of the
Trusts created,**

**HERBERT C. KANTOR, trustee of the Trusts
created by the Last Will and Testament of
Seymour Epstein,**

**RANDY EPSTEIN AUSTIN, as beneficiary of the
Estate of Seymour Epstein and/or trusts created
by the Last Will and Testament of Seymour
Epstein,**

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**ROBERT EPSTEIN, as beneficiary of the Estate of
Seymour Epstein and/or trusts created by the
Last Will and Testament of Seymour Epstein,**

**JANE EPSTEIN, as beneficiary of the Estate of
Seymour Epstein and/or trusts created by the
Last Will and Testament of Seymour Epstein,**

**SUSAN EPSTEIN GROSS, as beneficiary of the
Estate of Seymour Epstein and/or trusts created
by the Last Will and Testament of Seymour
Epstein, and**

SHELBURNE SHIRT COMPANY, INC.,

Defendants.

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WHEREAS, The Estate of Seymour Epstein, et al, Defendants have prosecuted an appeal to the United States District Court for the Southern District of New York, from the Judgment entered in this action on the 3rd day of February, 2021, in the office of the Clerk of the above-named Court, against the said Defendants, Estate of Seymour Epstein, Muriel Epstein, as Executor of the Estate and Trustee of the Trusts created by the Last Will and Testament of Seymour Epstein, and Jane Epstein, Randy Austin, and Susan Gross as Successor Co-Trustees to Herbert C. Kantor, as Trustee of the Trusts created by the Last Will and Testament of Seymour Epstein, jointly and severally, in the total amount of ONE MILLION FIVE HUNDRED SIXTY-TWO THOUSAND FIVE HUNDRED NINETY AND 35/100THS-----(\$1,562,590.35)DOLLARS, (the "Epstein Judgment Amount"), and in favor of the Plaintiff, IRVING H. PICARD, Trustee for the Substantively Consolidated SIPA Liquidation of Bernard L. Madoff Investment Securities LLC and the Estate of Bernard L. Madoff.

NOW, THEREFORE, PHILADELPHIA INDEMNITY INSURANCE COMPANY, a corporation of the Commonwealth of Pennsylvania and authorized to transact business in the State of New York at 58 South Service Road, Suite 420, Melville, NY 11747, as Surety on behalf of the Defendants, does hereby agree, covenant with and bind themselves to the Defendants and the Court to secure payment to the Plaintiff in the amount of the "Epstein Judgment" entered against the Defendants, all post-judgment interest at the lawful rate from the date of entry of the "Epstein Judgment" until paid, all costs that may be awarded by the Court or any appellate court as a result of this appeal, and all costs and damages pursuant to the "Epstein Judgment" that may be adjudged against the Defendants on appeal as a result of the affirmance of the "Epstein Judgment" not to exceed the sum of ONE MILLION FIVE HUNDRED SIXTY-EIGHT THOUSAND NINE HUNDRED TWENTY-TWO AND 55/100THS--(\$1,568,922.55)DOLLARS.

Bond No. PB10732800031

PROVIDED, HOWEVER, THAT:

In no event shall the total obligation of the Surety exceed the amount of **ONE MILLION FIVE HUNDRED SIXTY-EIGHT THOUSAND NINE HUNDRED TWENTY-TWO AND 55/100THS-- (\$1,568,922.55) DOLLARS**, regardless of the number of years this bond is in full force and effect.

FURTHERMORE, the conditions of the above obligations are such that if Defendants shall prosecute their appeal to effect, and shall satisfy the "Epstein Judgment" in full, together with costs, interest, or penalties as may lawfully be rendered in this case, then the said obligation shall be null and void; otherwise it shall remain in full force and effect.

Dated: New York, New York, AUGUST 9, 2021.

PHILADELPHIA INDEMNITY INSURANCE COMPANY

By: 
Maria Sponza, Attorney-In-Fact

State of NEW YORK

ss. Surety Acknowledgment

County of NEW YORK

On this 9th day of AUGUST, 2021, before me personally came **Maria Sponza**, to me known, who, being by me duly sworn, did depose and say that she is an attorney-in-fact of PHILADELPHIA INDEMNITY INSURANCE COMPANY the corporation described in and which the within instrument; that she knows the corporate seal of said corporation; that the seal affixed to the within instrument is such corporate seal, and that she signed the said instrument and affixed the said seal as Attorney-In-Fact by authority of the Board of Directors of said corporation and by authority of this office under the Standing Resolutions thereof.



Notary Public

COLLEEN MOHEN
Notary Public, State of New York
Registration No. 01MO6400954
Qualified in New York County
Commission Expires November 25, 2023

PHILADELPHIA INDEMNITY INSURANCE COMPANY

One Bala Plaza, Suite 100
Bala Cynwyd, PA 19004-0950

Power of Attorney

KNOW ALL PERSONS BY THESE PRESENTS: That **PHILADELPHIA INDEMNITY INSURANCE COMPANY** (the Company), a corporation organized and existing under the laws of the Commonwealth of Pennsylvania, does hereby constitute and appoint **Carol Levine and Maria Sponza of Arthur B. Levine Co., Inc.**, its true and lawful Attorney-in-fact with full authority to execute on its behalf bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, issued in the course of its business and to bind the Company thereby, in an amount not to exceed **\$25,000,000.00**.

This Power of Attorney is granted and is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of **PHILADELPHIA INDEMNITY INSURANCE COMPANY** on the 14th of November, 2016.

RESOLVED: That the Board of Directors hereby authorizes the President or any Vice President of the Company: (1) Appoint Attorney(s) in Fact and authorize the Attorney(s) in Fact to execute on behalf of the Company bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof and to attach the seal of the Company thereto; and (2) to remove, at any time, any such Attorney-in-Fact and revoke the authority given. And, be it

FURTHER RESOLVED: That the signatures of such officers and the seal of the Company may be affixed to any such Power of Attorney or certificate relating thereto by facsimile, and any such Power of Attorney so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

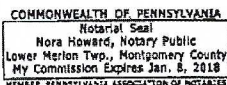
IN TESTIMONY WHEREOF, **PHILADELPHIA INDEMNITY INSURANCE COMPANY** HAS CAUSED THIS INSTRUMENT TO BE SIGNED AND ITS CORPORATE SEAL TO BE AFFIXED BY ITS AUTHORIZED OFFICE THIS 14TH DAY OF NOVEMBER, 2016.



(Seal)

Robert D. O'Leary Jr., President & CEO
Philadelphia Indemnity Insurance Company

On this 14th day of November, 2016, before me came the individual who executed the preceding instrument, to me personally known, and being by me duly sworn said that he is the therein described and authorized officer of the **PHILADELPHIA INDEMNITY INSURANCE COMPANY**; that the seal affixed to said instrument is the Corporate seal of said Company; that the said Corporate Seal and his signature were duly affixed.



Notary Public:

residing at:

Bala Cynwyd, PA

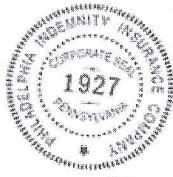
(Notary Seal)

My commission expires:

January 8, 2018

I, Edward Sayago, Corporate Secretary of **PHILADELPHIA INDEMNITY INSURANCE COMPANY**, do hereby certify that the foregoing resolution of the Board of Directors and this Power of Attorney issued pursuant thereto on this 14th day of November, 2016 are true and correct and are still in full force and effect. I do further certify that Robert D. O'Leary Jr., who executed the Power of Attorney as President, was on the date of execution of the attached Power of Attorney the duly elected President of **PHILADELPHIA INDEMNITY INSURANCE COMPANY**,

In Testimony Whereof I have subscribed my name and affixed the facsimile seal of each Company this 9th day of AUGUST 21, 2021



Edward Sayago, Corporate Secretary
PHILADELPHIA INDEMNITY INSURANCE COMPANY

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PHILADELPHIA INDEMNITY INSURANCE COMPANY

Statutory Statements of Admitted Assets, Liabilities and Capital and Surplus (in thousands, except par value and share amounts)

Admitted Assets

	As of December 31,	
	2020	2019
Bonds (fair value \$8,041,263 and \$7,329,360)	\$ 7,601,946	\$ 7,059,903
Preferred stocks (fair value \$16,537 and \$23,575)	15,673	22,761
Common stocks (cost \$52,609 and \$65,563)	43,373	64,634
Mortgage loans	821,250	803,679
Real estate	29,973	10,305
Other invested assets (cost \$203,028 and \$231,120)	215,589	243,127
Receivables for securities sold	943	684
Cash, cash equivalents and short-term investments	34,279	59,534
Cash and invested assets	8,763,026	8,264,627
Premiums receivable, agents' balances and other receivables	908,602	874,835
Reinsurance recoverable on paid loss and loss adjustment expenses	38,737	54,706
Accrued investment income	74,070	76,312
Receivable from affiliates	7,586	657
Federal income taxes receivable	-	28,027
Net deferred tax assets	138,129	134,628
Other assets	4,997	3,541
Total admitted assets	\$ 9,935,147	\$ 9,437,333

Liabilities and Capital and Surplus

Liabilities:

Unpaid loss and loss adjustment expenses	\$ 5,218,304	\$ 5,007,616
Unearned premiums	1,582,116	1,597,243
Reinsurance payable on paid loss and loss adjustment expenses	30,398	45,391
Ceded reinsurance premiums payable	108,936	100,299
Commissions payable, contingent commissions and other similar charges	214,389	216,136
Federal income taxes payable	8,480	-
Funds held	77,256	66,937
Payable to affiliates	18,486	16,383
Provision for reinsurance	87	78
Payable for securities purchased	17,820	58,784
Accrued expenses and other liabilities	32,170	27,116
Total liabilities	7,308,442	7,135,983

Capital:

Common stock, par value of \$10 per share; 1,000,000 shares authorized, 450,000 shares issued and outstanding	4,500	4,500
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Surplus:

Gross paid-in and contributed surplus	386,071	386,071
Unassigned surplus	2,236,134	1,910,779
Total surplus	2,622,205	2,296,850
Total capital and surplus	2,626,705	2,301,350
Total liabilities and capital and surplus	\$ 9,935,147	\$ 9,437,333

The undersigned, being duly sworn, says: That she is the Executive Vice President and Chief Financial Officer of Philadelphia Indemnity Insurance Company; that said Company is a corporation duly organized in the state of Pennsylvania, and licensed and engaged in the State of Pennsylvania and has duly complied with all the requirements of the laws of the said State applicable of the said Company and is duly qualified to act as Surety under such laws; that said Company has also complied with and is duly qualified to act as Surety under the Act of Congress. And that to the best of her knowledge and belief the above statement is a full, true and correct statement of

Attest:

Commonwealth of Pennsylvania - Notary Seal
Kimberly A. Kessleski, Notary Public
Montgomery County
My commission expires December 18, 2024
Commission number 1245769
Member, Pennsylvania Association of Notaries

Sworn to before me this 26th day of May 2021.

DocuSigned by:

Karen Gilmer-Pauciello

Karen Gilmer-Pauciello, EVP & CFO

Kimberly A. Kessleski
Kimberly Kessleski, Notary